

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**RELIEF SOUGHT:** An Order for Disbursement of Escrowed Funds  
(and Authorization for Direct Payment of Royalties)

**JURISDICTION:** Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-536768

TRACT(S): 1

LOCATION: DICKENSON County, Virginia

**TAX ID NUMBERS:** Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

**DOCKET NUMBER:** VGOB-05-1115-1530-01

**APPLICANTS:** EQT Production Company on behalf of Lambert Land, LLC

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
December 18, 2012

**APPEARANCES:** James Kaiser on behalf of EQT Production Company

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 01/10/2006, Recorded on 01/17/2006, Deed Book/Instrument No. 421, Page 684.
2. Supplemental Order, Recorded on 07/06/2006, Deed Book/Instrument No. 427, Page 408.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the December 18, 2012 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1 relative to the interests of the Applicants identified in the attached petition.
- (3) Continue the escrow account under this docket number.

**FINDINGS:** Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Range Resources, Pine Mountain, Inc. was a conflicting claimant with Lambert Land, LLC. with regard to Tract 1. The conflict was resolved by a letter dated October 4, 2012 from Range Resources, Pine Mountain waving any claims to past or to future royalties attributable to Lambert Land, LLC interest in this well.

# **RELIEF GRANTED:**

VGOB Disbursement  
Unit VC-536758  
VGOB-06-1115-1630-01

Table 1  
Tracts: 1

			Fractional	Net Acreage	Royalty	Escrowed	Percent of
			Ownership	Ownership	Split	Acres	Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				41.59000	
1		Tract 1 (total acreage)		39.37			
1	1	Lambert Land, LLC/P, O. Box 490, Nora, VA 24272		39.3700	100.00%	39.3700	94.4361%

**1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.**

**2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.**

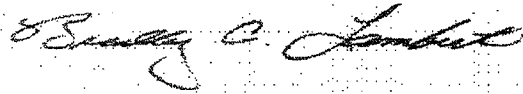
# **CONCLUSION:**

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

# **APPEALS:**

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

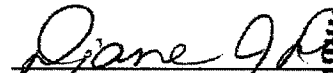
DONE AND EXECUTED this 21 day of December, 2012 by a majority of the Virginia Gas and Oil Board.

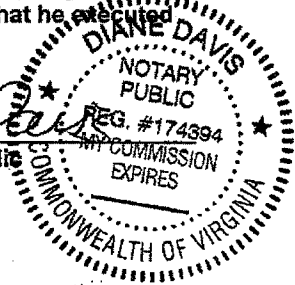


Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSEL)

Acknowledged on this 21<sup>st</sup> day of December, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary Public  
174394



My Commission expires: September 30, 2013

DONE AND PERFORMED this 27 day of December, 2012 by Order of the Virginia Gas and Oil Board.

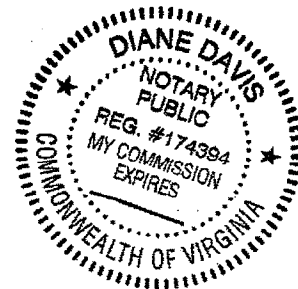


Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSEL)

Acknowledged on this 27<sup>th</sup> day of December, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Rick Cooper, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary Public  
174394



My Commission expires: September 30, 2013

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**PETITIONER:** EQT Production Company

**DIVISION OF GAS AND OIL**

**DOCKET NO:** VGOB 05-1115-1530-01

**RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 1  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES**

**HEARING DATE:** December 18, 2012

**DRILLING UNIT:** VC-536768

**DICKENSON COUNTY, VIRGINIA**

**PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS**

**1. Petitioner and its counsel**

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

**2. Relief Sought**

A petition for disbursement of funds from escrow for well VC-536768 from Tract 1 to Lambert Land.

**3. Legal Authority**

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

**4. Type of Well(s)**

Coalbed Methane

**5. Factual basis for relief requested**

Range Resources, Pine Mountain, Inc. was a conflicting claimant with Lambert Land, LLC. with regard to Tract 1. The conflict was resolved by a letter dated October 4, 2012 from Range Resources, Pine Mountain waving any claims to past or to future royalties attributable to Lambert Land, LLC interest in this well.

**6. Attestation**

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

BK 503PG 326

BK 421PG 695

5,530'

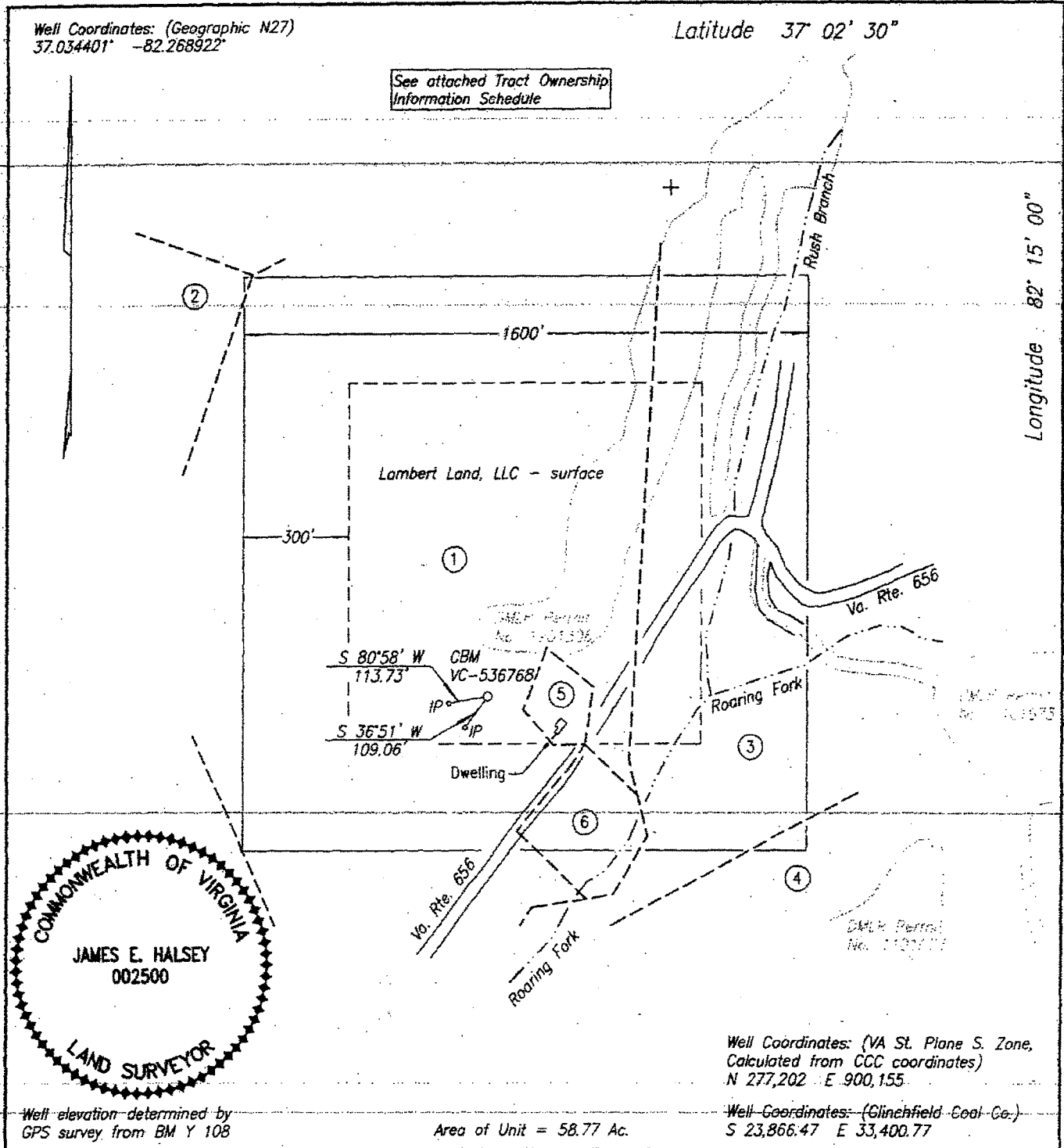
Well Coordinates: (Geographic N27)  
37.034401° -82.268922°

Latitude 37° 02' 30"

See attached Tract Ownership  
Information Schedule

2,585'

Longitude 82° 15' 00"



## WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-536768  
TRACT NO. TC-176 ELEVATION 2,000.81' QUADRANGLE Nora  
COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 9-28-2005

This Plat is a new plat x; an updated plat   ; or a final location plat   

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

James E. Halsey  
Licensed Professional Engineer or Licensed Land Surveyor

VGOB Disbursement  
Unit VC-536768  
VGOB-05-1115-1530-01

Table 1

1

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Disbursement
		Total acreage in escrow before disbursement				41.69000		
1		Tract 1 (total acreage)		39.37				
1	1	Lambert Land, LLC/P. O. Box 490, Nora, VA 24272		39.3700	100.00%	39.3700	94.4351%	\$27,257.06

**Wells contributing to the escrow account: VC-536768 W/PL**

**EXHIBIT "B"**  
**VC-536768**  
**VGOB 05/11/15-1530**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>
<u>Gas Estate Only</u>					
1	ID # 06221 Lambert Land LLC P.O. Box 490 Nora, Virginia 24272	Leased-EPC 905467L	66.990000%	39.3700	0.08373750 RI
	Equitable Production Company				0.58616250 WI
Tract 1 Totals			66.990000%	39.3700	0.66990000
2	ID # 11716 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased- EPC 241490	0.030000%	0.0200	0.00003750 RI
	Equitable Production Company				0.00026250 WI
Tract 2 Totals			0.030000%	0.0200	0.00030000
3	ID # Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased- EPC 241640	28.760000%	16.9000	0.03595000 RI
	Equitable Production Company				0.25165000 WI
Tract 3 Totals			28.760000%	16.9000	0.28760000
4	ID # 12398 Lambert Land LLC P.O. Box 490 Nora, Virginia 24272	Leased - EPC 905073L	0.270000%	0.1600	0.00033750 RI
	Equitable Production Company				0.00236250 WI
Tract 4 Totals			0.270000%	0.1600	0.00270000
5	ID # 12401 Eva Jane Grizzle Route 1 Box 625 Dante, Virginia 24237	Unleased	1.330000%	0.7800	0.00166250 RI

Equitable Production Company				0.01163750 WI	
<hr/>				<hr/>	
Tract 5 Totals				1.330000%	0.7800 0.01330000
<hr/>				<hr/>	
6	ID # 02712 Eva Jane Grizzle Route 1 Box 625 Dante, Virginia 24237	Unleased	2.620000%	1.5400	0.00327500 RI
Equitable Production Company				0.02292500 WI	
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Tract 6 Totals				2.620000%	1.5400 0.02620000
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TOTAL GAS ESTATE				100.000000%	58.7700 1.00000000

Coal Estate Only

1	ID # 06221 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 905467L	66.990000%	39.3700	0.08373750 RI
Equitable Production Company				0.58616250 WI	
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Tract 1 Totals				66.990000%	39.3700 0.66990000
<hr/>				<hr/>	
2	ID # 11716 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased- EPC 241490	0.030000%	0.0200	0.00003750 RI
Equitable Production Company				0.00026250 WI	
<hr/>				<hr/>	
Tract 2 Totals				0.030000%	0.0200 0.00030000
<hr/>				<hr/>	
3	ID # Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased- EPC 241640	28.760000%	16.9000	0.03595000 RI
Equitable Production Company				0.25165000 WI	
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Tract 3 Totals				28.760000%	16.9000 0.28760000
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4	ID # 12398	Leased - EPC	0.270000%	0.1600	0.00033750 RI



8K 503PG 330

Lambert Land LLC  
P.O. Box 490  
Nora, Virginia 24272

905073L

Equitable Production Company

0.00236250 WI

Tract 4 Totals		0.270000%	0.1600	0.00270000
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5	ID # 12401 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased - EPC 244792	1.330000%	0.7800	0.00166250 RI
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Equitable Production Company

0.01163750 WI

Tract 5 Totals		1.330000%	0.7800	0.01330000
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6	ID # 02712 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased - EPC 244792	2.620000%	1.5400	0.00327500 RI
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Equitable Production Company

0.02292500 WI

Tract 6 Totals		2.620000%	1.5400	0.02620000
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<b>TOTAL COAL ESTATE</b>		<b>100.000000%</b>	<b>58.7700</b>	<b>1.00000000</b>
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**EXHIBIT "E"**  
**VC-536768**  
REVISED 10/10/2012

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
5	ID # 12401 Eva Jane Grizzle Route 1 Box 625 Dante, Virginia 24237	Unleased	1.330000%	0.7800
6	ID # 02712 Eva Jane Grizzle Route 1 Box 625 Dante, Virginia 24237	Unleased	2.620000%	1.5400
TOTAL GAS ESTATE			3.950000%	2.3200

Coal Estate Only

5	ID # 12401 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased - EPC 244792	1.330000%	0.7800
6	ID # 02712 Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased - EPC 244792	2.620000%	1.5400
TOTAL COAL ESTATE			3.950000%	2.3200

BK 50396 333

**Exhibit EE  
VC-536768  
VGOB 05/11/15-1530**

Tract	Lessor	INTEREST WITHIN UNIT	ACREAGE IN UNIT
<u>Gas Estate Only</u>			
1 ID # 06221 Lambert Land LLC P.O. Box 191 Abingdon, Virginia 24212	Leased-EPC 905467L	66.990000%	39.3700
<b>Total</b>		<b>66.990000%</b>	<b>39.3700</b>
<b>Total subsequent to RR-PM Waiver</b>		<b>66.990000%</b>	<b>39.3700</b>

INSTRUMENT #130000081  
RECORDED IN THE CLERK'S OFFICE OF  
DICKENSON ON  
JANUARY 28, 2013 AT 02:24PM

RICHARD W. EDWARDS, CLERK  
RECORDED BY: CJP